

7-19-5.5. Transferred assets free of encumbrances.

(1) Any institution or other person to whom assets, business, and property are transferred pursuant to a supervisory merger or a supervisory acquisition shall take those assets, business, and property:

(a) free and clear of all liens, claims, and encumbrances that have been avoided or disallowed by the commissioner under Sections 7-2-6 and 7-2-12;

(b) free and clear of all unperfected liens, claims, and encumbrances pertaining to the assets, business, and property, except to the extent expressly assumed by the transferee; and

(c) subject to all allowed perfected liens, claims, security interests, and encumbrances relating to such assets, business, and property.

(2) Only those deposit liabilities and other liabilities, claims, and obligations of or against the transferring institution, its officers, directors, employees, and agents which are expressly assumed by the transferee shall be transferred or assigned pursuant to a supervisory merger or a supervisory acquisition. In addition, no such transferee shall be liable for any claim or obligation made against or attributable to acts or omissions of the commissioner, the department, or any of their agents, arising out of or related to the supervisory merger or the supervisory acquisition.

Amended by Chapter 229, 1987 General Session